

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

NOTICE OF MARKET-DOMINANT  
PRICE ADJUSTMENT

Docket No. R2017-1

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 7, QUESTION 1**  
(November 9, 2016)

The Postal Service hereby files its responses to Chairman's Information Request (ChIR) No. 7, Question 1, issued on October 31, 2016. A response to question 2 was filed on November 4, 2016. The question is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Pricing & Product Support

---

David H. Rubin

475 L'Enfant Plaza, S.W.  
Washington, D.C. 20260-1135  
(202) 268-2986, FAX: -6187  
david.h.rubin@usps.gov

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
CHAIRMAN'S INFORMATION REQUEST NO. 7

1. Please refer to the Postal Service's Notice. The Postal Service states that it plans to eliminate the permit fees for "Parcel Select (including Parcel Select Lightweight), Bound Printed Matter Parcels, Media Mail, Library Mail, Business Reply Mail (parcels), Merchandise Return Service, and Parcel Return Service." Notice at 35. However, the Postal Service's proposed MCS changes also eliminate permit fees for First-Class Package Service. Notice, Attachment A at 88. Please resolve the discrepancy and file revised workpapers if necessary.

**RESPONSE:**

The permit fee for First-Class Package Service was eliminated in Docket No. CP2016-9, which converted First-Class Package Service into a Commercial Single-Piece offering. Because the annual mailing (permit) fee applied only to FCPS mailings at presorted prices, and since presorted prices were eliminated from FCPS in Docket No. CP2016-9, no permit fees are needed to use FCPS. The following sentences in MCS § 2125.1(e) were therefore eliminated in Docket No. CP2016-9:

An annual mailing fee is required to be paid at each office of mailing by any person who mails at presorted prices (1505.2). Payment of the fee allows the mailer to mail at the First-Class Package Service price.<sup>2</sup>

However, there was no Market Dominant filing for Special Services at that time in which to make the conforming change in MCS § 1505.2. That conforming change, which limits the combined First-Class Mail/First-Class Package Service permit fee to just First-Class Mail, is being made in this docket. Despite its best efforts, the Postal Service has been unable to determine how many of the permit fees would not be paid under the proposal.

---

<sup>2</sup> See Order No. 2814, at 10-11, and Attachment at 77-79 (November 13, 2015).

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
CHAIRMAN'S INFORMATION REQUEST NO. 7

The numbers are hard to determine because a mailer who sends First-Class Package Service items also typically sends First-Class Mail letters and flats.

The elimination of the First-Class Package Service permit fee does not necessarily affect the number of permit fees paid. As a result, the Postal Service does not believe that adjustments to its workpapers are justified.